

SB 2077, CD2: HHSC Maui Region Privatization Legislation
(Note: This information is valid as of May 19, 2016.)

SB 2077, CD2 (Relating to Separation Benefits)

This bill was approved by the 2016 legislature and enrolled to the Governor on May 9, 2016. A copy of the bill is attached. It provides for possible voluntary severance benefits, special retirement and medical coverage benefits for HHSC Maui employees who are affected by Act 103, SLH 2015 (regarding the privatization of HHSC Maui facilities) and who meet certain criteria.

The Governor has until July 12, 2016 to approve or veto SB 2077, CD2.

- If approved, the bill becomes effective on the date of approval.
- If vetoed, the legislature may override the Governor's veto by a 2/3 vote of all members (this will require a special legislative session).
- If not approved or vetoed, the bill becomes effective on July 12, 2016.

UPW vs. David Ige as Governor of the State of Hawaii

On May 17, 2016, the 9th Circuit Court of Appeals entered an order temporarily stopping activities related to the transition of HHSC Maui facilities to a private operator under Act 103/2015. This order lasts only until September 30, 2016, unless sooner terminated by the Court. The Court also ordered the parties to the lawsuit to file a joint status report on or before June 30, 2016.

Retirement Eligibility

These are the current requirements for retirement:

| Plan (General Employees) | Normal Retirement Full benefit | Early Retirement With age reduction |
|---|---|--|
| Contributory | 5 years of service 55 years of age | 25 years of service Any age |
| Noncontributory | 10 years of service 62 years of age | 20 years of service 55 years of age |
| | 30 years of service 55 years of age | |
| Hybrid members who became members prior to 7/1/2012 | 5 years of service 62 years of age | 20 years of service 55 years of age |
| | 30 years of service 55 years of age | |
| Hybrid members who became members after 6/30/2012 | 10 years of service 65 years of age | 20 years of service 55 years of age |
| | 30 years of service 60 years of age | |

ERS will not accept applications for Special Retirement Benefits under SB 2077, CD2 unless the bill becomes law.

Retirement Applications

For members who are already eligible and have filed for retirement in anticipation of the July 1, 2016 transition under Act 103/2015, please be advised that your application remains effective 150 days from the date you filed your application. Rather than cancelling your application, you may consider extending the effective date of your retirement should your employment with HHSC Maui continue beyond June 30, 2016. The status of your employment with HHSC will dictate the action on your retirement application. Cancellation of your retirement application will count as one of the three you are allowed to file – retirement must be effective on the 3rd.

You may change (ERS Form 281) or cancel (ERS Form 221) your application prior to your scheduled July 1, 2016 retirement by completing these forms and submitting them to our office by June 30, 2016.

On the ERS website, go to: [Member > Forms > Retirement Application Forms](#) and print and complete the applicable form.

Your change or cancellation forms may be faxed directly to the ERS Maui Office at (808) 984-8183 or emailed to hiersmaui@hiers.org.

The original form must be mailed immediately after faxing/emailing to:

Employees' Retirement System of the State of Hawaii
201 Merchant Street, Suite 1400
Honolulu, HI 96813

Frequently Asked Questions

- 1) When will the ERS provide HHSC Maui employees with information on the Special Retirement Benefits?
 - *Until the Special Retirement Benefits become law, the ERS can only provide information on current eligibility requirements and assist those who are eligible for retirement without the Special Retirement Benefit requirements.*
 - *If the SB 2077, CD2 becomes law, the ERS, in coordination with your employer (HHSC Maui), will provide informational sessions to assist members with eligibility requirements, benefit information and filing guidelines.*
- 2) Should I cancel or change my retirement date since I already filed for July 1, 2016 due to the uncertainty of the privatization after June 30, 2016?

It is your decision whether to cancel or change your retirement application. However, you may consider changing your retirement date for the extent of the application's 150-day effective period until more information is determined. You should be in contact with your employer as your employment status will determine the action you take on your application.

- 3) When is the last day to cancel or change my July 1, 2016 retirement date?

The last date is June 30, 2016 at 4:30 p.m.